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MICHAEL E. KUNZ, Clerk
By *[Signature]* Dep. Clerk

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

RIENZI WINE IMPORTS, LLC

19-34 38th Street

Astoria, New York 11105

Plaintiff,

v.

VALLEY FORGE INSURANCE COMPANY

412 Washington Street

Reading, PA 19601

10 5002

Civil Case No.

JURY TRIAL DEMANDED

CIVIL ACTION COMPLAINT

Plaintiff, Rienzi Wine Imports, LLC, by and through its attorneys, Bochetto and Lentz, P.C., by way of Complaint against Defendant, Valley Forge Insurance Company, and avers as follows:

I. THE PARTIES

1. Plaintiff Rienzi Wine Imports, LLC ("Plaintiff" or "Rienzi Wine") is a New York limited liability company with its principle place of business at 19-34 38th Street, Astoria, New York 11105. The members of Rienzi Wine are citizens of New York. Rienzi Wine is, therefore, a citizen of New York. Rienzi Wine does business in this District.

2. Upon information and belief, Defendant Valley Forge Insurance Company (“VFIC”) is a foreign registered general liability insurance company, duly organized and existing under the laws of the State of Pennsylvania. VFIC is part of the CNA Financial Corporation family of insurance companies and subsidiaries. VFIC has its principle place of business at 412 Washington Street, Reading, PA. VFIC is, therefore, a citizen of Pennsylvania.

II. JURISDICTION AND VENUE

3. This Court has diversity jurisdiction over the instant matter pursuant to 28 U.S.C. §1332(a)(1) because the opposing parties are citizens of different states and the amount in controversy exceeds \$75,000.00, exclusive of costs and interest.

4. Venue is proper pursuant to 28 U.S.C. § 1391(a) & (b) because VFIC is subject to personal jurisdiction in this District and because Rienzi Wine does business in this District.

III. THE FACTS

5. Rienzi Wines is an importer of Italian wines.

6. Rienzi Wines’s inventory features selected special Italian regional wines (Basilicata, Campania, Sicilia, Toscana, Puglia).

7. To store its inventory, Rienzi Wines has an insulated wine warehouse located at 19-34 38th Street, Astoria, New York 11105.

8. Correct storage temperature is the single most important consideration for the preservation and maintenance of wine. For long term wine storage, a temperature of 55 degrees is considered optimum. Temperatures that are too low or too high cause “spoilage” to wine.

9. When wine is affected by excessive heat, the taste of the wine is affected adversely and the wine will age faster.

10. As a consequence, the imported wine in the wine warehouse is stored in temperature controlled conditions.

11. Cooling units in the wine warehouse are necessary to maintain the correct temperature.

12. To ensure their operation, Rienzi Wines entered into a written preventive maintenance service agreement with Teletemp Cooling Corp. so that the cooling units would be the subject of regular preventative maintenance.

13. During the month of March 2009, the cooling units in wine warehouse suffered a breakdown which was not immediately discovered.

14. As a consequence of the breakdown, the cooling units at the wine warehouse were non-functional for an extended period but the interior lights were left on.

15. While Rienzi Wines diligently attempted to have the breakdown repaired, and the repair was not completed on or about March 30, 2009, the wine in the wine warehouse was damaged by excessive heat in the wine warehouse caused by the breakdown. The cause of the failure was a short circuit in the compressor.

16. As a direct and proximate result of the failure of the cooling system, all of the wine in the wine warehouse was spoiled, having been damaged both in taste and life expectancy.

17. Over 3,000 bottles of imported Italian wines, with a value in excess of \$462,000, were ruined.

18. VFIC, as insurer, issued a contract of insurance with policy number designation of B 2091062269 ("Insurance Policy") to Rienzi Wines, as insured, for the policy period of January 14, 2009 through January 14, 2010. (A copy of the policy at issue is Exhibit "A" hereto and is incorporated by reference.)

19. The wine warehouse is an insured location under the Insurance Policy.

20. Among other things, the Insurance Policy covers the “spoilage” of perishable inventory at the wine warehouse as a result of “[c]hange in temperature or humidity resulting from mechanical breakdown or failure of refrigeration, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises” or “change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.” The policy lists \$100,000 for spoilage coverage and \$515,000 for equipment breakdown.

21. Among other things, the Insurance Policy covers “the reasonable expenses you incur in preparing claim data when we require such data to show the extent of loss. This includes the cost of taking inventories, making appraisals, preparing income statements, and preparing other documentation.”

22. On or about April 3, 2009, Rienzi Wines notified VFIC of its claim. The claim was assigned Claim No. E2557157.

23. To show the extent of loss, Rienzi Wines provided a report from an appraiser with an expertise in wines specialist indicating that excessive heat had caused the wine to spoil. (*See* wine expert report, attached as Exhibit “B” hereto.)

24. Rienzi Wines further provided an engineering report that concluded the wine spoiled due to the failure of the cooling system. (*See* wine engineer report, attached as Exhibit “C” hereto.)

25. VFIC has unreasonably denied Rienzi Wine’s claim. Despite the fact that Rienzi Wine provided VFIC with a report from a wine specialist to the contrary, VFIC incorrectly contended that excessive heat, caused by the breakdown of the cooling equipment, was not a

factor in the spoilage of the wine and contended that the wine – which is Rienzi Wine's livelihood – was improperly stored. VFIC has denied payment of this claim unreasonably, without any basis in bad faith.

COUNT I
(BREACH OF CONTRACT)

26. Plaintiff hereby repeats and incorporates all other allegations contained in this pleading as set forth at length herein.

27. By engaging aforementioned improper conduct, VFIC has materially breached the Insurance Policy.

28. As a result of VFIC's breach of the Insurance Policy, Rienzi Wine has suffered substantial damages in excess of \$462,000.

29. As a result of Defendant's refusal to tender payment, Plaintiff has incurred thousands of dollars in expert expenses and legal fees and will seek recovery of all such expenses at the conclusion of the case.

PRAYER FOR RELIEF

Wherefore, Plaintiff Rienzi Wine Imports, LLC demands judgment in its favor and against Defendant Valley Forge Insurance Company and requests that the Court enter an order:

- a. awarding Plaintiff Rienzi Wine Imports, LLC actual damages, including nominal, compensatory, and/or consequential damages, in an amount to be determined at trial;
- b. awarding Plaintiff Rienzi Wine Imports, LLC pre- and post-judgment interest in an amount to be determined at trial; and
- c. awarding Plaintiff Rienzi Wine Imports, LLC other and further relief as the Court may deem equitable, just and proper, including expert fees incurred in submitting this claim.

DEMAND FOR JURY TRIAL

Plaintiff Rienzi Wine Imports, LLC hereby demands a trial by jury as to all issues triable thereby.

Respectfully Submitted,

BOCHETTO & LENTZ, P.C.

Date: 9-23-10



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